



**TREASURY
WINE ESTATES**

14 February 2017

ASX ANNOUNCEMENT

TWE CEO to co-locate temporarily between Australia and United States

Treasury Wine Estates Limited (ASX: TWE) today announced that, to further support TWE's key strategic initiatives, its Chief Executive Officer, Mr Michael Clarke, will be temporarily co-located between TWE's offices in Melbourne, Australia and the Napa Valley in the United States for the period from 1 March 2017 until reviewed by TWE on or before 31 December 2017.

Critical to TWE's transition from an agricultural company to a brand-led, high performance organisation is the strengthening of TWE's business model and brand portfolio in the US as well as building stronger partnerships with strategic distributor and retail customers in the region.

With the ANZ, Asia and Europe regional business models now optimised and in sustainable growth, Mr Clarke's co-location represents an exciting opportunity for him to spend more time with the team in the US and to drive deeper and stronger customer partnerships in the region.

On Mr Clarke's co-location, TWE's Chairman, Paul Rayner, commented: "The Board and I are very pleased that our Chief Executive Officer has agreed to temporarily spend more time on the ground with the team in the US. The US is the largest contributor to TWE's profit while also presenting the largest opportunity for both absolute profit growth and margin expansion. Our outstanding and highly collaborative Management team supporting the Chief Executive Officer will ensure that this temporary arrangement drives the best outcomes for TWE globally."

A summary of the co-location arrangements and the subsequent key variations to the Chief Executive Officer's employment agreement is attached as Appendix 1.

Further information, please contact:

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Appendix 1 – Summary of variation to key contractual terms

General conditions

Mr Clarke's role as Chief Executive Officer will be co-located between TWE's offices in Melbourne, Australia and Napa Valley, United States, commencing on 1 March 2017, subject to pending visa and work permit requirements being met. This is a temporary arrangement which will remain in place until reviewed by TWE on or before 31 December 2017.

Allowances

The following allowances, net of any applicable taxes, will be payable monthly commencing on or after 1 March 2017:

- Cost of Living Allowance of AUD 5,500 per month; and
- Housing Allowance of AUD 15,000 per month.

Benefits

During the period of co-location, TWE will pay the following benefits:

- Reasonable travel for Mr Clarke and his spouse between Melbourne and the Napa Valley;
- Reimbursement of expenses (e.g. taxes), if any, above what would have been payable had the role not been co-located; and
- Certain customary benefits arising out of the co-location arrangement including visa and immigration costs, international medical insurance coverage, company vehicle for use in Napa, and reasonable packing, moving, storage and insurance costs in Australia.

All other terms as previously announced to the market remain unchanged, including Total Fixed Remuneration.

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